

NEDRI

C O R P

1984 ANNUAL REPORT

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On the cover

A plan approved by the hospital's trustees and corporators on April 24, 1984, converted the Corporation of the New England Deaconess Hospital into NEDH Corp., a private, non-profit holding company, and established three subsidiary corporations: The New England Deaconess Hospital Corporation, the Deaconess Realty Corp., and the Deaconess Surgicenter Corporation. This report covers the activities of NEDH Corp. and its subsidiaries for the 1983-84 fiscal year.

Report of Management



Marvin G. Schorr, Chairman



Laurens MacLure, President

The past 12 months have been busy, eventful, and, we believe, very productive for the Deaconess.

Our efforts over the past two years to accommodate to the restraints and incentives mandated by Chapter 372 have paid off in financial terms as discussed below. However, the general operating environment continues to be difficult for all hospitals, including the Deaconess. For example, third-party payors are slow in paying hospitals for services rendered, which leads to rising levels of receivables. In addition, the productivity improvements contained in Chapter 372 place continuing pressure on our operating margin. Another challenge is represented by the new reimbursement systems and techniques, such as health maintenance organizations, preferred provider organizations, and master health plans. These are designed to save costs by keeping people out of hospitals, by monitoring activities while patients are in hospitals, and by encouraging shorter periods of hospitalization. Membership in these new organizations is growing rapidly and, as a result, generates pressure on admissions, length of hospital stays, and occupancy. Finally, there is a growing trend toward unbundling traditional hospital-based services with the establishment of so-called emergicenters, surgicenters, and free-standing clinics. We see no near-term relief from these trends and expect they will continue for several more years. Our strategic plan for the next decade assumes continued regulation, as well as growing competition.

Recognizing the need to address these regulatory and competitive pressures from an organizational as well as an operating viewpoint, the Board of Trustees, after a three-month study, recommended that the Deaconess Hospital undertake a corporate reorganization. The existing hospital corporation was converted into NEDH Corp.—a private, non-profit holding company—and three subsidiaries were established: New England Deaconess Hospital Corporation, to take ownership of the hospital's properties, equipment, personnel, and responsibility for hospital operations; Deaconess Realty Corp., a for-profit company to run and manage certain non-hospital related real estate; and

Deaconess Surgicenter Corporation. The reorganization has resulted in no change in the day-to-day operations of the hospital. Rather, it recognizes that our business has grown now from the traditional provision of inpatient care to include many other aspects of health care. The new corporate structure provides greater flexibility to respond to the challenges of the future, protects certain assets from regulatory control, offers improved prospects for future capital formation, and provides a structure for future expansion of services into such areas as home health care, ambulatory care centers, or nursing homes. The reorganization plan was approved by the Corporation, and we have been operating in the new holding company format since its effective date in April.

We are pleased to report that the financial results for NEDH Corp. and its subsidiaries for fiscal 1984 were very gratifying and exceeded our ambitious budgetary targets, which were established prior to the beginning of the year. Total net revenues—after adjustments for free care, uncollectables, and contractuals—amounted to \$116,141,290. Expenses amounted to \$110,948,859, leaving an excess of revenue over expenses of \$5,192,431.

Recoveries from contractual settlements relating to prior years' operations were \$355,571. The recovery of these expenses, disallowed in earlier years, is particularly pleasing inasmuch as we were convinced that the third-party auditors were being arbitrary, and therefore unfair, in not accepting them in the first place. The favorable final result is due primarily to our vigorous protests and our diligence in following through with various appeals procedures.

Our improved operating gain was due to a number of positive steps taken by management and staff during the past 24 months. As a result of improved controls, adjusting staffing levels to demand for beds, greater care in ordering ancillaries, and an early retirement program, we have been able to maintain a very tight control over our expenses. Attention to cost containment in areas throughout the hospital resulted in considerable savings. But continued efforts in these areas will be necessary in the years ahead, if we are to prosper.

In this context, we are now able to make

five- and ten-year financial projections based on different operating assumptions. These computer-based simulations are extremely helpful as we plan into the future for significant changes in programs and for major capital additions to our existing plant. Palmer and Baker buildings, with their 149 beds, are more than 50 years old and outdated by current patient care standards. Clinical support services have become increasingly cramped for space as advances in technology require new equipment and additional personnel. Moreover, as we expand our academic activities, there are increasing demands for teaching and research space. While we have "made do" on a temporary basis by moving off campus some of our non-clinical management activities, such as accounting, auditing, and others, these are only short-term, inefficient solutions to a growing space shortage problem.

During the next year we must address these space needs in the light of our strategic plans for the future, as well as our projected clinical and academic programs.

In addition to these longer-term needs, we have an urgent current requirement for additional intensive care beds for which we have a Determination of Need currently on file with the Public Health Council.

Another challenge to us in the years ahead concerns the escalation of malpractice awards by juries in Massachusetts. As a result, malpractice insurance premiums have risen so rapidly in recent years that a crisis is not far away. Our annual net premium is now more than \$800,000. This covers our full-time physicians, house officers, nurses, and others in our employ against malpractice, and insures the hospital against general liability. Individual physicians in the highest risk categories are now paying more than \$15,000 each year for this insurance. This is a very serious problem for patient, staff, and hospital alike.

We are pleased to report that following a biennial visit from the Joint Commission on Accreditation of Hospitals in November 1983, the Deaconess was granted a three-year accreditation, the maximum allowable. The report was quite complimentary, particularly with respect to our nursing and quality assurance programs. We believe the Commission's report reflects the continuing

commitment of our entire staff to adhere to the highest standards of service and care.

Among the many medical activities of 1984, two important programs are particularly worthy of note. The Boston Center for Liver Transplantation, of which the Deaconess Hospital is a charter member, received in January a Determination of Need to perform liver transplants on a regular basis. Since that date our teams have done seven transplants, with an 85 percent success rate. And a Deaconess physician was on the research team that isolated the AIDS virus at the National Cancer Institute (NCI) earlier this year. Patient materials provided by our hospital to NCI contributed in part to this breakthrough. An active patient care and research program related to AIDS continues at our hospital.

Two search committees have been active during the past year: one to find a replacement for Samuel Hellman, M.D., former chairman of the Department of Radiation Therapy, and the other to find a successor for William V. McDermott Jr., M.D., who is nearing retirement after four years as chairman of the Department of Surgery and more than 10 years as director of the Deaconess-Harvard Surgical Service. At this writing it appears that both searches are drawing to successful conclusions and announcements are imminent. We can announce, however, that an endowed chair has been established at Harvard Medical School in honor of Dr. McDermott and that our new chairman of Surgery is expected to be the first occupant. Funding for this new chair has come from Dr. McDermott's many friends, patients, colleagues, and former house officers. Merle A. Legg, M.D., was reappointed in February by the Board of Trustees as chairman of the Department of Pathology.

An outpatient clinic for patients with intractable pain, established a year ago, has been expanded in scope and has been named the William P. Arnold Pain Treatment and Research Center in honor of the late William P. Arnold, former chairman of the board of Associated Dry Goods Corporation, and a Deaconess patient. A fundraising effort spearheaded by his friends, and capped by a dinner in October at the Waldorf-Astoria in New York, has raised more than \$3 million to endow the center.

In January we acquired 306 The Riverway, the last remaining property not controlled by the Deaconess, Joslin Diabetes Center, or Overholt Clinic in the Deaconess-Joslin "super block" bounded by Brookline Avenue, Longwood Avenue, and The Riverway. We hope that its acquisition will permit the eventual closing and purchasing of Autumn Street from the City. When combined with the Autumn Street park, the open air parking lot, and Laundry/Shop building, this acquisition provides more than an acre of land for future development. We believe that the creation of this development potential will become extremely valuable at some point in the years ahead. Meanwhile, the apartment house is providing net rental income to our new real estate subsidiary.

We are a service organization and, as such, we are dependent on our staff—physicians, employees, friends, and volunteers—to provide the high quality yet compassionate care our patients have come to expect. This is not an easy challenge, and it is essential to maintain high employee morale if we are to succeed. It is not surprising, therefore, that we have many programs designed to do just this. One such program stands out: our Annual Service Awards Dinner in May. This past year more than 1,000 of our 2,200 full-time employees had accumulated more than five years of service and were eligible to attend. The years of service represented by those eligible for this annual event add up to almost 12,000. We believe this represents a very deep commitment to the Deaconess, our mission, and our patients. Frankly, we are very proud of this record.

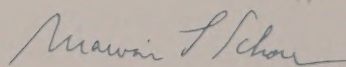
We are also very pleased with the generous response of our employees to the annual United Way Campaign. Last year our employees and staff gave more than \$55,000, a 22 percent increase over the previous year.

During the year a number of members of the Deaconess family were honored in one way or another and are worthy of note: Richard E. Lee was elected chairman of the Council of Boston Teaching Hospitals; Ellison C. Pierce Jr., M.D., served as president of the American Society of Anesthesiologists; C. Burns Roehrig, M.D.,

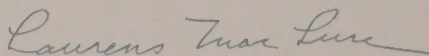
was named president-elect of the American Society of Internal Medicine; Anthony P. Monaco, M.D., was elected president of the American Society of Transplant Surgeons and the International Transplantation Society; and Judith A. Waligunda, M.D., was named "Young Internist of the Year" by the American Society of Internal Medicine.

It is with a great deal of sadness that we report the deaths of three former Trustees: Vincent P. Clark, who had served 49 years as a Corporation member with 25 years as a Trustee, including 17 years as Secretary of the Corporation; Amelia Peabody, who had been a Trustee for more than 27 years, the last 9 as Honorary Trustee; and George I. Rohrbough, who had been a Corporator for 22 years with 20 years as a Trustee. These Deaconess supporters worked for our hospital with loyalty and dedication for many years, and we will miss them very much.

The success of any organization is, in the final analysis, attributable to people. Our institution is no exception and is particularly fortunate to have a large number of individuals committed to its continued prosperity. To these individuals and groups—our employees, our medical staff, Trustees and Corporators, Friends and volunteers, and many others—we wish to say, "Thank you for your continuing assistance and support."



Marvin G. Schorr, Chairman



Laurens MacLure, President

September 30, 1984

Report of the Medical Staff



One measure of the quality of a hospital's medical staff is the esteem in which its members are held by their colleagues. Various members of the NEDH staff were honored by their peers during the past year.

Internist C. Burns Roehrig, M.D., recently became president of the American Society of Internal Medicine. Anthony Monaco, M.D., scientific director of the Cancer Research Institute and chief of the division of organ transplantation, was elected president of the American Society of Transplant Surgeons and the International Transplantation Society and also was re-elected president of the New England Organ Bank. Ellison Pierce, M.D., chairman of Anaesthesia, has just completed a one-year term as president of the American Society of Anesthesiologists. Many other staff members serve in elected or appointed positions on boards and committees of professional organizations.

Daniel Miller, M.D., chief of otolaryngology, received the American Laryngological Association's Newcomb Award, given in appreciation of service to the organization. Judith Waligunda, M.D., was named Outstanding Young Internist by the American Society of Internal Medicine.

Staff additions in the Department of Medicine include Keith Marton, M.D., who became chief of the division of general medicine in July. Albert I. DeFriez, M.D., chief of primary care medicine since 1976, is now advisor to the chairman for junior and senior medical staff affairs. Gordon C. Weir, M.D., new medical director of the Joslin Clinic, was appointed chief of the NEDH endocrinology section. Endocrinologist Pamela Hartzband, M.D., and cardiologist Richard Nesto, M.D., both have joined Deaconess Medicine.

In Radiology, Kenneth Stokes, M.D., was appointed section chief in vascular and interventional radiology. Janet Pelerossi, M.D., has joined Anaesthesia, and in Radiation Therapy, Thomas Sheldon, M.D., will direct the intraoperative radiotherapy program.

The state's approval in January of the Boston Center for Liver Transplantation has allowed the continued development of the Deaconess liver transplant program. Directed by surgeon Roger Jenkins, M.D., the Deaconess program utilizes a specialized team of surgeons and operating room staff.



Support from the other clinical departments—particularly Medicine, Anaesthesia, Pathology, and Radiology—is essential to bringing the patients through the often lengthy process of recuperation.

The treatment of Acquired Immune Deficiency Syndrome (AIDS) at NEDH includes the first clinical trials of genetically-engineered gamma interferon. Derived from T-lymphocytes, components of the body's immune system that seem to be missing in AIDS patients, gamma interferon may help to reconstitute the immune system and fight the infections to which AIDS patients are

Robert S. Lees, M.D. (left), and student assistant Katrina Ling work on his research into the development of atherosclerosis, the major cause of death in the United States.

susceptible. Three-quarters of the AIDS patients in Massachusetts now are being treated at the Deaconess, both as inpatients and outpatients, by Jerome Groopman, M.D.

Groopman and other NEDH physicians are collaborating with researchers at Harvard, the UMass Medical Center, and the National Cancer Institute (NCI) to develop a diagnostic blood test for AIDS. Materials provided by the Deaconess to the NCI made a major contribution to the discovery of the probable cause of AIDS: the HTLV-III virus.

Psychiatrist David Bear, M.D., has formalized an existing program in neuropsychiatry that brings together neurologists, psychiatrists, and psychologists to assess and treat patients whose emotional and behavioral problems may result from injury to or disease affecting the central nervous system.

The William P. Arnold Pain Treatment and Research Center, directed by Melvin Krant, M.D., provides a variety of services for patients suffering from chronic pain syndromes. A combination of treatments—including physical therapy, biofeedback, medication, muscle relaxation, and behavior modification—are offered through inpatient treatment and counseling and an outpatient clinic. The center also performs research into the causes and treatment of pain.

The Department of Radiology has added ultrasonography of the breast to x-ray mammography for the diagnosis of breast cancer. A new program in intraoperative organ scanning helps to locate small subsurface tumors in the abdominal organs and the central nervous system.

As methods of delivering medical care change and competition increases, the Deaconess has developed relationships and outreach programs with other institutions that might add to our patient referral base. Blake Cady, M.D., chief of surgical oncology, coordinates these activities with the Marketing Department. This year a new program focused around vascular diseases with Hunt Hospital in Danvers, developed through the efforts of surgeon Peter Madras, M.D., was added to our existing relationships, such as the oncology programs with St. Luke's Hospital in New Bedford and Portsmouth (N.H.) Hospital.

In an expansion of our relationship with the Harvard Community Health Plan (HCHP), four HCHP orthopedic surgeons will be doing most of their tertiary work at

the Deaconess in the coming year. We are currently providing backup services for the Care One walk-in clinic in Newton, and a satellite office of General Medical Associates of Weston—a private group practice affiliated with the Multi-Group Health Plan—will open at the Deaconess in 1985. Discussions are now underway with several community hospitals regarding formal associations.

The Pathology Department's psychiatric chemistry program, operated in conjunction with the Massachusetts Mental Health Center, now services Westwood Lodge and the Nichols Institute in California.

Research funding increased again this year, from \$4,481,000 in November 1983, to \$8,070,000 by July 1984. An additional \$17 million in support is pending from federal and industrial sources.

Approximately 40 percent of research support is received from industrial sources, principally pharmaceutical firms. Twenty-five percent of funding relates to cancer research. More than 300 clinical research protocols now are active, compared to 200 last year.

Many grants have been received from the National Institutes of Health (NIH). The National Institute for Allergy and Infectious Disease has given major support to research in the division of organ transplantation under Anthony P. Monaco, M.D. The National Heart, Lung, and Blood Institute



awarded grants to George L. Blackburn, M.D., for a study of hypertension in obesity; to Jack L. Hawiger, M.D., for his continuing investigations of the formation of blood clots; and to Robert S. Lees, M.D., for his examinations of the role of lipoproteins in the development of atherosclerosis.

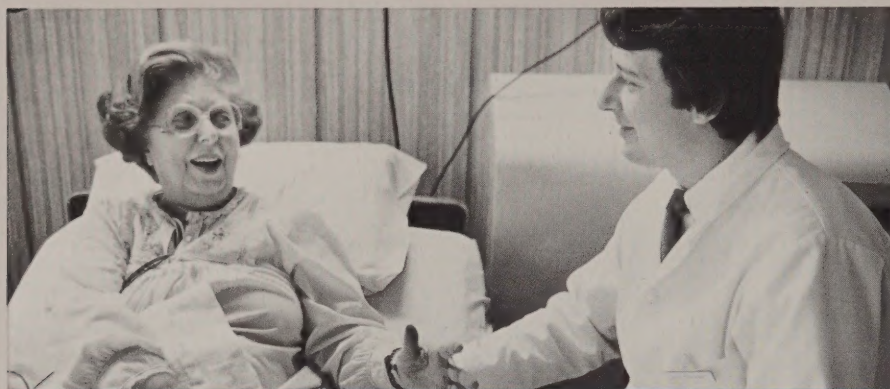
Grants from the National Cancer Institute went to Bruce Bistrian, M.D., for studies of branch chain amino acids in the feeding of cancer patients and to George Blackburn, M.D., for a trial of a low fat diet for breast cancer patients. Edward Mascioli, M.D., received an NIH new investigator research award for work on intravenous lipid preparations for total parenteral nutrition.

Support from private and industrial sources included grants to Jerome Groopman, M.D., for work with AIDS and cancer patients; to Adolf Karchmer, M.D., for a study of diabetic foot infection; and to Edward Kosinski, M.D., for cardiology studies. Additional support was received for the tumor cell biology lab of Samuel Balk, M.D., and the pulmonary lab of Richard Rose, M.D.

Staff members had 118 papers published in scientific journals. Areas of research included preventing the rejection of transplanted organs by transfusions of blood or injections of bone marrow from the donor, and the development of tests to identify early bladder cancer patients—both under the direction of Anthony P. Monaco, M.D. In conjunction with these programs, laboratories for *in vitro* studies of cellular immune response and for the production of monoclonal antibodies were established by Takashi Maki, M.D., Ph.D.

Papers published by Jerome Groopman, M.D., outline his AIDS research, including

Jack J. Hawiger, M.D., will continue his studies of the mechanisms of blood clotting under a grant from the National Heart, Lung, and Blood Institute.



Interns like David Pladziewicz, M.D., (right) gain essential patient care experience in the Deaconess medical residency program.

the first randomized study of alpha interferon for the treatment of Kaposi's sarcoma and investigations into the epidemiology of the disease. Jack Hawiger, M.D., and his co-workers published papers on platelet receptors, adding to existing knowledge of blood clotting. Robert S. Lees, M.D., wrote on his research in external imaging of atherosclerosis, devising improved non-invasive tests to diagnose the narrowing or blockage of blood vessels.

The surgical metabolism laboratory of George Clowes, M.D., developed a measurement of liver protein synthesis that can play an important role in predicting the survival of critically ill surgical patients, and a measure of metabolic liver function that is valuable in the assessment of liver transplant candidates.

Cooperative research studies among Radiation Therapy, Surgery, and Pathology are providing information on the best methods of treating patients with early breast cancer. The JCRT's new specialized irradiator, located at Brigham and Women's Hospital, is used for total body irradiation in conjunction with bone marrow transplantation.

Competition continues to be strong for positions in the Deaconess residency and fellowship programs. This year's medical residency program, the second largest in Boston, has 75 residents. A new program for interns planning to specialize in psychiatry includes a rotation through Baker 4, a unit for psychiatric patients with serious medical and surgical problems. Medical fellowships—including cardiology, infectious disease, nutrition, and oncology—number 16.

The Deaconess-Harvard Surgical Service has 51 residents. Training in endoscopy and office surgery was formalized this year, and

second-year residents now are rotating to Boston City Hospital's trauma service. The fourteen fellowships include general and vascular surgery; hyperalimentation; diet, nutrition, and cancer; and transplantation research. A new clinical fellowship in transplantation will begin in 1985.

The residency program in Pathology has an outstanding record. Former residents include two university presidents, five deans, and numerous chairmen of medical school departments. This year there are 17 residents in clinical and anatomic Pathology.

Radiology currently has nine residents and five fellows in four areas—CT/ultrasound, vascular and interventional,

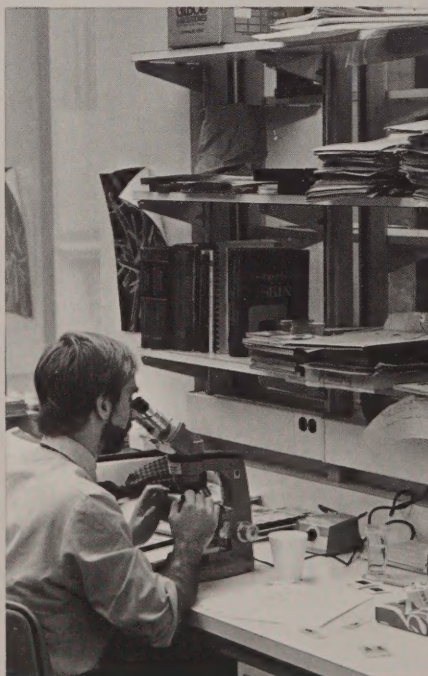
invasive, and nuclear medicine.

The Joint Center for Radiation Therapy (JCRT)—which includes Beth Israel Hospital, Brigham and Women's Hospital, Children's Hospital, and the Dana-Farber Cancer Institute in addition to the Deaconess—has 14 residents in its program, one of the largest in the country.

Anaesthesia has begun a fellowship program in cardiac anaesthesia, in affiliation with Brigham and Women's Hospital. Residents in anaesthesia, surgery, medicine, dentistry, and podiatry spend one- to two-month rotations in the Anaesthesia department.

The clinical departments also participate in the Harvard Medical School core curriculum and offer electives for medical students and undergraduates. This year's post-graduate courses included a program on the management of surgical complications and the annual cancer symposium.

Several of the clinical departments administer training programs in the allied health professions. Pathology's medical technology school, previously affiliated with Northeastern University, is now a post-graduate program operated with New England Baptist Hospital. The blood bank specialists school is a post-graduate program offered in conjunction with Northeastern. Radiology's school of radiologic technology is also affiliated with Northeastern, and the JCRT's school of nuclear medicine technology, affiliated with Bunker Hill Community College, is one of the largest of its kind in New England. The cytotechnology school, a joint program of several Boston teaching hospitals, has been discontinued.



Pathology resident Mark Sherman, M.D., studies samples of patient materials, looking for signs of disease.

Highlights of 1984



New trustee and corporators At the annual meeting in January, the hospital corporation welcomed a new trustee and two new corporation members. Trustee Robert Bradley, M.D., president of the Joslin Diabetes Center and a member of the NEDH Department of Medicine, has been a corporator since 1974. Corporator James M. Loveday is vice president of securities sales for Goldman, Sachs and Company in Boston, and corporator F. Anthony Orbe is assistant vice president of Metropolitan Life Insurance Company's New England Regional Office of Real Estate Investments.

Early retirement program Sixty-five long-time Deaconess employees retired at the end of November, 1983, taking advantage of additional benefits offered as part of an optional retirement plan. The program was part of the hospital's efforts to comply with Chapter 372 cost restrictions.

Mariam Lefrancois (right), one of 65 Deaconess employees who retired in November 1983, accepts congratulations from Ellen Howland, R.N., director of Nursing.



Liver transplant recipient Marva Bergeron (right) displays the t-shirt she received from surgeon Roger Jenkins, M.D., head of the liver transplant unit, on her discharge.



Liver transplant, step-down DoNs approved, others pending In January the Department of Public Health (DPH) granted a Determination of Need (DoN) for the Boston Center for Liver Transplantation (BCLT). This consortium—consisting of Children's Hospital, Massachusetts General Hospital, New England Medical Center, and New England Deaconess Hospital—is the nation's first coordinated, multihospital liver transplantation program. As of September 30, 1984, a total of 23 transplants had been performed at BCLT hospitals—14 of them at the Deaconess.

In April, the Deaconess received a DoN for an eight-bed thoracic step-down unit. The

unit, located on Farr 8, houses thoracic surgery patients who do not need ICU-level care but do require more intensive monitoring than that available on regular medical/surgical floors. The step-down unit helps maintain optimal patient care by saving ICU beds for the most acutely ill patients, while avoiding the transfer of thoracic patients to a regular floor before they are ready.

The Deaconess currently has three DoN applications before the DPH, including a proposal for the conversion of medical/surgical beds to much-needed intensive care beds.

United Way campaign More than 1,150 Deaconess employees contributed to the 1983 United Way campaign, raising \$55,193—15 percent over the \$48,000 goal and almost \$10,000 more than 1982 donations.



The thoracic step-down unit, located on Farr 8, fills the special needs of thoracic surgery patients who no longer require intensive care but are not ready to go to a regular patient unit.

Hospital receives its first patent

NEDH researchers Sally DeFazio, Ph.D.; James Gozzo, Ph.D.; and Anthony P. Monaco, M.D., scientific director of the Cancer Research Institute, were granted a patent for an experimental early bladder cancer detection technique. The test detects the presence of a protein in urine by means of monoclonal antibodies and may someday be used to screen those at risk for developing bladder cancer. The patent was the hospital's first.

Physician Referral Service To assist prospective patients looking for a personal physician, the Deaconess Marketing Department established a Physician Referral Service, accessible by phone (617 732-8006) during regular business hours. Callers are advised as to the particular specialty that would be most appropriate to their needs and are given the names of three staff physicians who are accepting new patients.

New visiting policies Visiting hours throughout the hospital were modified to be more consistent from unit to unit. The new system was designed to accommodate better the needs of patients and staff, as well as the convenience of visitors.

Because many patients, particularly those with long hospitalizations, enjoy visits from their young children and grandchildren, children under 12 now are allowed to visit on a limited basis.



A method for early detection of bladder cancer, developed by researchers Sally DeFazio, Ph.D. (left), and James Gozzo, Ph.D., under the direction of Anthony Monaco, M.D., was granted a patent, the hospital's first.

Service awards dinner More than 550 employees, the largest number ever, attended the 29th annual service awards dinner in April. Approximately 1,000 employees with 5 years of service or more were eligible for this year's celebration.

Conference examines renal disease

"The Boston Connection: A Nephrology Update"—a symposium sponsored by Nursing Staff Education, the Deaconess-Harvard Transplantation Associates, and Joslin Diabetes Center—drew more than 150 nurses and other health care professionals. The two-day symposium examined many aspects of caring for patients with diabetes-related renal disease.

AIDS research, treatment advances

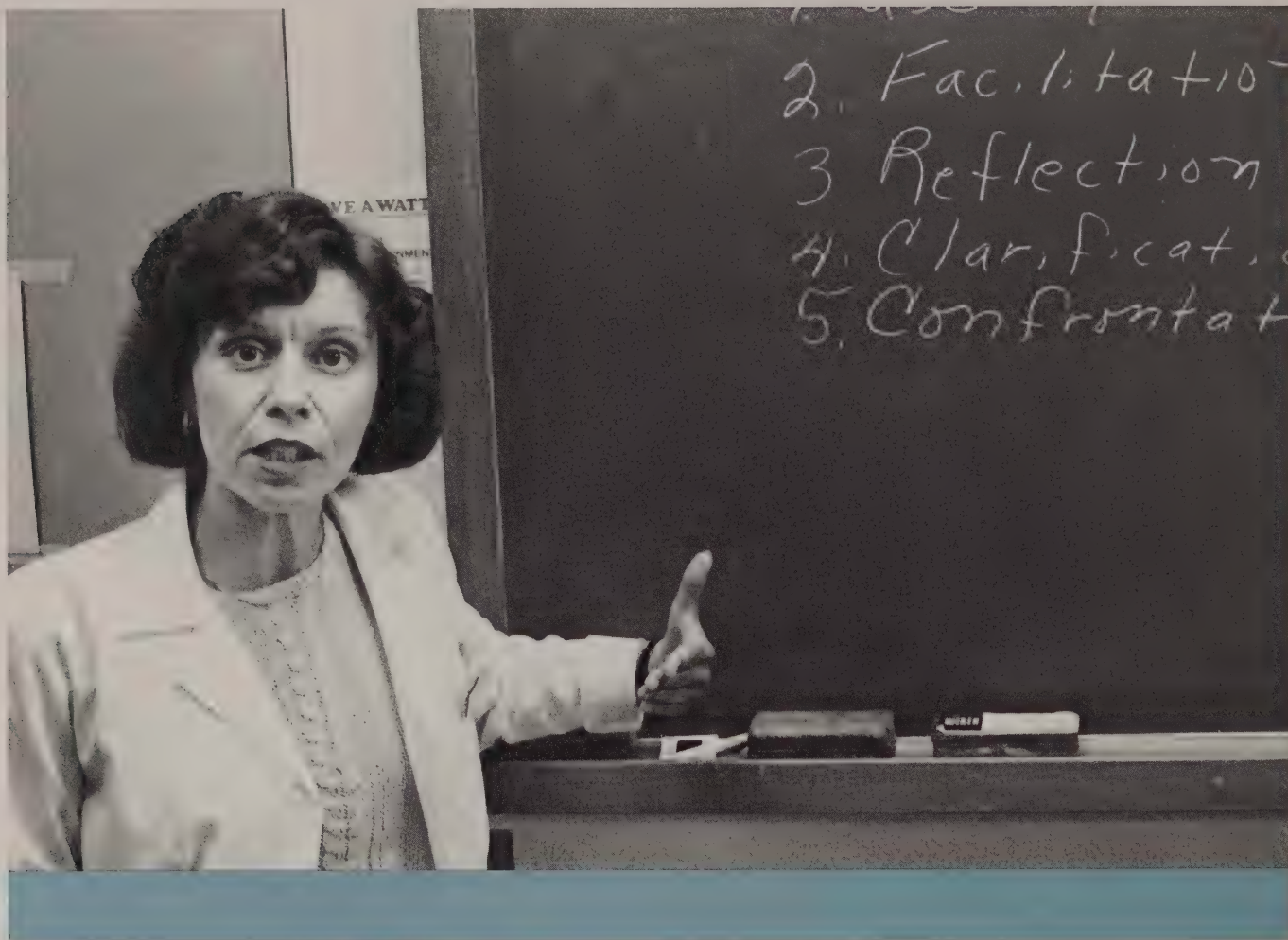
In April, Health and Human Services Secretary Margaret Heckler announced that a National Institutes of Health (NIH) team had discovered the probable cause of Acquired Immune Deficiency Syndrome (AIDS), a virus called HTLV-III. Material and information provided to the NIH by Deaconess physician Jerome Groopman, M.D., and his colleagues made an important contribution to this discovery. The Deaconess is also the first center in the nation to treat AIDS patients with gamma interferon, a substance which may stimulate the immune system.

ODISY system completed The hospital-

wide computerized patient information system—ODISY—was completed this year with the interface of the pathology lab computer with the main system and the addition of the pharmacy to the system. ODISY reduces paperwork and speeds test and medication orders and reporting of test results.

Deaconess employees with five or more years of service enjoy the 29th annual service awards dinner.





Norma Allen, R.N., surgical services instructor, will conduct the six-month training course in perioperative nursing.

Perioperative nursing course A 6-month training program in perioperative nursing—the individualized care given before, during, and after a patient's surgery—was approved in the spring and will enroll its first class this fall. Offered by NEDH Surgical Services, the course provides registered nurses with appropriate theory and clinical practice in all phases of the surgical experience.

Farr Lobby renovation Work began to remodel the hospital's main lobby, giving patients and visitors a more comfortable,

welcoming atmosphere. The "new" lobby will feature a quiet room, where doctors can talk with patients' families in private or where visitors can go just to be alone, and a new information desk of mahogany with brass trim. The Lady of the Lamp stained glass window, which formerly hung in the stairwell of the Palmer Building, will be mounted above the desk and lighted from behind, so that all who enter the Deaconess will see the symbol of NEDH's long-standing tradition of caring. Gifts from the Friends of the Deaconess totaling more than \$70,000 will pay for the renovation.

Margaret Hotz, a volunteer and member of the Friends of the Deaconess, takes out the arts and crafts cart, which is supplied by the Friends.



Friends of the Deaconess In addition to supporting the lobby renovation, the Friends of the Deaconess presented the School of Nursing with the equivalent of a full three-year scholarship. With their other projects, such as maintaining the Baker roof garden, supplying the arts and crafts cart, and providing food for the “coffee and conversation” program in the Farr 10 oncology unit—a major new undertaking this year—the Friends contributed more than \$93,000 to the hospital during the year.

Volunteers More than 280 volunteers contributed 26,800 hours in 42 areas of the hospital during the year. The patient library service now is being handled primarily by volunteers, with an expansion of the talking books program for visually handicapped patients. Volunteer Aron Steinberg, who was chosen as an outstanding volunteer by the Voluntary Action Center of Boston last spring, received a special commendation from Governor Dukakis in October 1983.

Observation Unit reorganized The Deaconess Observation Unit was reorganized in an effort to improve the efficiency and the quality of patient care. The Unit now has two primary components: a nine-bed Triage Unit, responsible for the rapid evaluation and disposition of acutely ill patients; and a four-bed Short Stay Unit (24-48 hours), with two potential overflow beds.

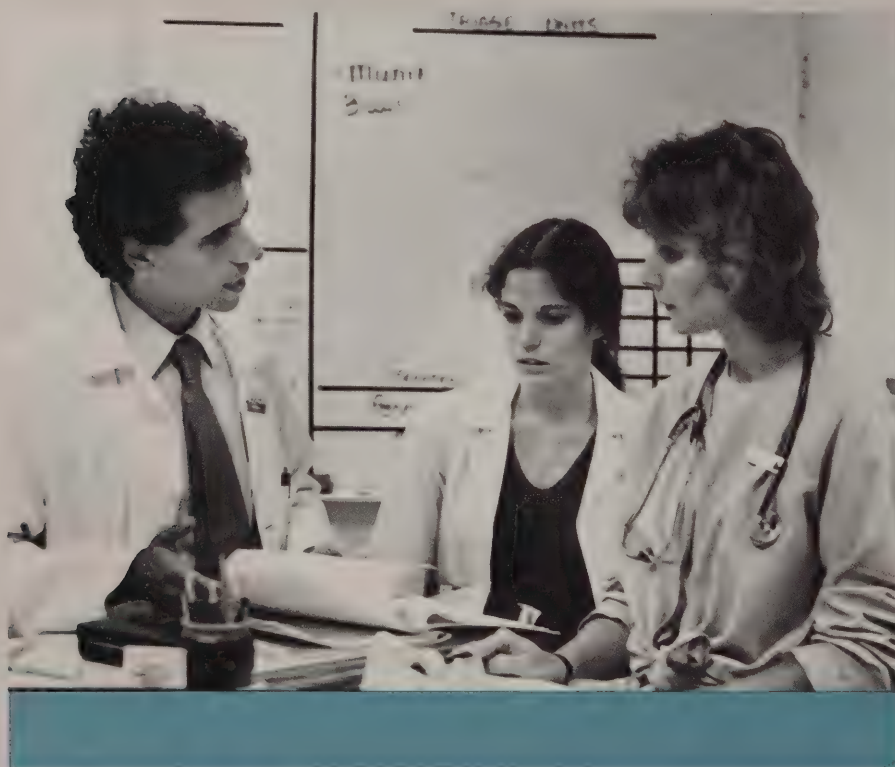
Students learn patient concerns The Deaconess was one of three Boston hospitals to participate in a Harvard Medical School pilot program designed to give medical students an opportunity to view medicine from the patient's side.

Students worked closely with Eleanor Lowry, coordinator of patient relations, listening to patients' problems and working to solve them. The purpose of the program, now being offered as a for-credit course, is to

help students develop a more humanistic approach to medicine by learning to understand the non-medical concerns patients might have.

SON graduation, new association with Northeastern The New England Deaconess Hospital School of Nursing celebrated its 86th graduation and commencement exercises in June when 49 students received diplomas from Ellen Howland, R.N., director of Nursing, and Marvin G. Schorr, chairman of the Board of Trustees.

An agreement signed in August between the NEDH School of Nursing and the Northeastern University College of Nursing allows students who wish to enter Northeastern's baccalaureate program for registered nurses to accumulate additional college credits while participating in the NEDH diploma program.



Medical resident Jack Ohringer, M.D. (left), and intern Deborah Blacker, M.D. (center), consult with nurse Kim Medoff, R.N., in the Triage Unit, where acutely ill patients can be evaluated and admitted to the hospital.

Financial and Statistical Highlights



NEDH Corp. and Subsidiaries Consolidated Balance Sheets

September 30, 1984 and
September 25, 1983

		\$000	
Assets		FY 1984	FY 1983
Unrestricted Funds:			
	Current Assets	\$25,568	\$20,971
	Trustee Designated Fund	9,498	8,825
	Property, Plant & Equipment (Net)	40,159	38,863
	Total	\$75,225	\$68,659
Restricted Funds:			
	Special Purpose Funds	\$ 7,701	\$ 2,951
	Endowment Funds	10,359	9,948
	Plant Replacement & Expansion Funds	194	94
	Total	\$18,254	\$12,993
	Total Assets	\$93,479	\$81,652
Liabilities			
Unrestricted Funds:			
	Current Liabilities	\$16,272	\$16,579
	Deferred Revenue	803	838
	Supplemental Retirement Benefits	1,394	—
	Long-Term Debts	10,577	11,078
	Fund Balances	46,179	40,164
	Total	\$75,225	\$68,659
Restricted Funds:			
	Fund Balances	\$18,254	\$12,993
	Total Liabilities and Fund Balances	\$93,479	\$81,652

Composition of Assets 1984



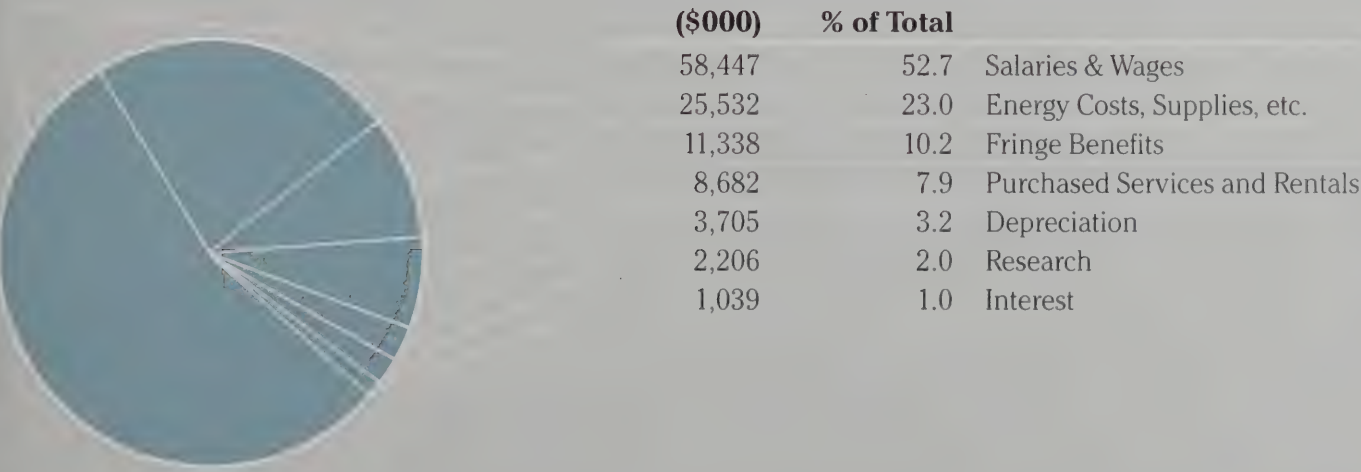
Detailed, audited financial statements are available on request.

NEDH Corp. and Subsidiaries
Statement of Revenues and Expenses

For the Fiscal Years Ended
 September 30, 1984 and
 September 25, 1983

		\$000	
		FY 1984	FY 1983
Net Revenues:			
	Patient Care	\$112,951	\$100,111
	Real Estate	1,065	887
	Investments, etc.	1,878	2,398
	Unrestricted Contributions	247	240
	Total Net Revenues	\$116,141	\$103,636
Operating Expenses:			
	Patient Care	\$110,223	\$100,305
	Real Estate	665	491
	Other	61	—
	Total Operating Expenses	\$110,949	\$100,796
	Excess of Revenue Over Expenses	\$5,192	\$2,840

**Distribution of 1984
 Operating Expenses**



NEDH Corp. and Subsidiaries

Financial Highlights

Years Ended September 30, 1984 and
September 25, 1983

\$000

Prior Years

	1984	1983	1982	1981	1980
Net Revenues	\$116,141	\$ 103,636	\$97,617	\$85,212	\$72,179
Operating Expenses	\$110,949	\$ 100,796	\$95,840	\$82,946	\$70,449
Excess of Revenue Over Expenses	\$ 5,192	\$ 2,840	\$ 1,777	\$ 2,266	\$ 1,730
Accounts Receivable-Net	\$ 18,311	\$ 16,399	\$13,980	\$13,251	\$11,543
Property, Plant & Equipment (Net)	\$ 40,159	\$ 38,863	\$38,684	\$36,980	\$36,071
Long-Term Debt	\$ 10,577	\$ 11,078	\$11,898	\$12,851	\$13,815
Total Unrestricted Assets	\$ 75,225	\$ 68,659	\$63,802	\$62,497	\$58,795

Operating Statistics

Fiscal Year 1984*		
Compared to Fiscal Year 1983	FY 1984	FY 1983
Occupancy	86.5%	88.2%
Admissions	13,748	13,393
Patient Days	156,857*	157,023
Average Daily Census	422.8	431.4
Average Stay (Days)	11.4	11.7
Surgical Procedures	6,138	6,181
Surgical Minutes	1,181,000	1,083,000
Radiological Procedures	67,760	65,023
Radiation Treatments	20,285	21,735
Laboratory Units	33,428,264	32,462,666
Outpatient Visits	52,525	52,078

*FY 1984 contained 53 weeks.

About the Deaconess



The New England Deaconess Hospital is a 489-bed specialty-referral, tertiary care facility, the third largest hospital in Boston. Its 15-building complex is located in the Longwood Medical Area near its teaching affiliate, the Harvard Medical School, and other health care institutions with which it shares several joint programs, research efforts, and staff.

The hospital serves approximately 14,000 inpatients each year and records more than 50,000 outpatient visits for a variety of medical and surgical needs. Traditionally known for its work in cancer, diabetes, heart disease, and kidney transplantation, the Deaconess has in recent years gained additional recognition for excellence in general medicine and nutritional support, and for its expanding organ transplantation program.

Patients are referred from all over the world to members of the hospital's medical and surgical staffs, composed of specialists from the Deaconess, the Joslin Diabetes Center, the Overholt Thoracic Clinic, and the Joint Center for Radiation Therapy.

The hospital prides itself on providing outstanding medical and surgical services, on the excellence of its medical and nursing staffs, and the talent and dedication of its 3,000 employees. The hospital is known as well for its teaching programs for young physicians, its School of Nursing, and other training programs in the allied health sciences.

Research conducted at the Deaconess includes basic science and clinical research in areas such as: hematology, immunology, infectious disease, nuclear medicine, nutritional metabolism, oncology, pathology, peripheral vascular disease, pulmonary medicine, radiation therapy, surgical metabolism, and transplantation.

While committed to teaching and research, the hospital's primary mission is patient care. At the Deaconess, the patient always comes first. Deaconess people strive to provide the best possible patient care, combining excellence in medical services with personalized, understanding, and attentive support.

This spirit has prevailed since 1896, when the hospital was founded by a group of deaconesses from the Methodist Church. Seeing a need for skilled and compassionate care of the sick and indigent people of Boston, the deaconesses opened a 14-bed hospital on what is now Massachusetts Avenue. The finest physicians of the day were attracted by the institution's philosophy of patient care, and within 10 years, larger quarters were needed. The hospital moved to its present site in the Longwood area, opening a 50-bed hospital in 1907.

The primary goal of the hospital's founders remains a part of the Deaconess tradition—that caring for, and caring about, patients is our first priority. This philosophy is shared by all members of the Deaconess community: medical staff, nursing staff, employees, volunteers, trustees, corporators, auxiliaries, donors, and many other friends of the hospital.

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American Medical Association
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School of Radiologic Technology Accredited by:

Committee of Allied Health Education & Accreditation,
American Medical Association
Affiliated with Northeastern University

How You Can Help

Everyone at the Deaconess is dedicated to providing the best possible patient care while maintaining the excellence of the hospital's teaching and research programs. You can join in their effort by giving the hospital your financial support.

In addition to direct gifts to the hospital in cash or securities, you may wish to consider planned giving, which enables you to provide major, long-term support for the Deaconess while preserving income for your family or personal needs. A bequest to the Deaconess can help continue the hospital's tradition of excellence for many years to come.

For information about giving opportunities, contact Roger A. Perry Jr., NEDH External Resources Department, 185 Pilgrim Road, Boston, Massachusetts 02215; telephone (617) 732-8007.

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